

CALIFORNIA STATE LEGISLATURE

CENTRAL VALLEY REPUBLICAN DELEGATION

SENATOR CHUCK POOCHIGIAN (R-FRESNO)
PHONE (916) 445-9600

SENATOR DICK MONTEITH (R-MODESTO)
PHONE (916) 445-1392

ASSEMBLYMAN ROY ASHBURN (R-BAKERSFIELD)
PHONE (916) 319-2032

ASSEMBLYMAN MIKE BRIGGS (R-FRESNO)
PHONE (916) 319-2029

ASSEMBLYMAN DAVID COGDILL (R-MODESTO)
PHONE (916) 319-2025



PRESS RELEASE

FOR IMMEDIATE RELEASE
January 4, 2001

Contact: Paul Bauer
(916) 445-9600

CENTRAL VALLEY REPUBLICANS PROPOSE REVITALIZATION PACKAGE

(Sacramento, CA)—Today, a unified Central Valley Senate and Assembly Republican caucus announced the Central Valley Revitalization Proposal (“CVRP”), a comprehensive revitalization package, which will provide much needed aid to the Central Valley. The Central Valley delegation includes: Senators Chuck Poochigian (R-Fresno) and Dick Monteith (R-Modesto), and Assembly Members Roy Ashburn (R-Bakersfield), Mike Briggs (R-Fresno), and David Cogdill (R-Modesto).

Despite prosperous economic times, the Central Valley continues to be left behind. It is plagued with double-digit unemployment and disproportionately higher crime rates than the rest of the state. To address this, the Central Valley Republicans are proposing specific initiatives to improve the Central Valley’s economy and quality of life. The CVRP targets the toughest issues facing the Valley. The package includes business tax incentives, a criminal justice package to address abandoned methamphetamine labs, providing the Valley its fair share of infrastructure investments, education funding fairness, regulatory relief for agriculture, and incentives to attract and retain qualified health care professionals.

“To date, the Central Valley has only received sporadic attention. A piecemeal approach has not been effective because the challenge is so great,” said Senator Poochigian. “A single tax cut, a single appropriation is simply not enough. To address serious deficiencies, we are asking for a comprehensive commitment from the Legislature and the Governor to revitalize the region.”

In the last few years, there have been some efforts to aid the Valley. Unfortunately, many of those efforts were limited and did not address the problem in a comprehensive manner. In addition, many statewide initiatives have left most Central Valley counties with less than their fair share. Last year’s transportation program provided much needed additional funding for some important projects in the Valley. However, overall the plan severely under-funded Central Valley counties. Similarly, large urban districts benefited at the expense of the Central Valley when the State Allocation Board adopted a new priority point system for school construction money from Proposition 1A that will take money away from many Valley schools and send it primarily to the Los Angeles Unified School District.

“For years, the needs of Central Valley residents have been overshadowed by the demands of larger metropolitan areas such as San Francisco and Los Angeles. Our communities have been unfairly disadvantaged. I’m pleased that for the first time Central Valley legislators are working together to jointly protect the interests of our area,” said Assemblyman Ashburn.

-MORE-

The eight counties comprising the Heart of the Central Valley include Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare. The Central Valley Republican legislators propose to end the policies that have continued to ignore the needs of an area that is 27,280 square miles, making up 17 percent of the land in California.

Senator Monteith said, "It is in the Central Valley's best interest for the valley legislators to work together to make sure the valley gets its fair share of legislative dollars. This will help to return the health and vitality to the Central Valley, which has been hurt by consistent double-digit unemployment rates."

Assemblyman Briggs said, "While the rest of the state enjoys a booming economy, the Central Valley continues to be plagued by double digit unemployment. The only way we can turn our economy around is by all the valley legislators working in a bipartisan fashion to create the environment that will spur economic development and create jobs."

This region is populated with 10 percent of the state's population, or 3.3 million people. Its rich and diverse agricultural history has sustained its economic vitality for many years. However, as the rest of the state's economy has shifted from a manufacturing-based economy to a service-based one, the Central Valley has not kept pace.

Assemblyman Cogdill said, "The Central Valley represents a vast and important portion of California and deserves to receive its just due. I feel that the bills proposed by the Republican legislators to benefit the Central Valley are vital to its well-being, and I am proud to be involved in them."

"During the last legislative session, there emerged a disturbing trend whereby urban areas of the state were benefited in many cases at the expense of the Central Valley," said Senator Poochigian. "We do not begrudge other areas of the state fighting for their share, it just should not come at our expense. It is time that we reverse this pattern of inequity."

#

THE ECONOMY OF THE CENTRAL VALLEY



THE HEART OF THE CENTRAL VALLEY

27,280 SQUARE MILES; 17% OF THE LAND AREA OF CALIFORNIA

3.3 MILLION PEOPLE; 10% OF STATE'S POPULATION

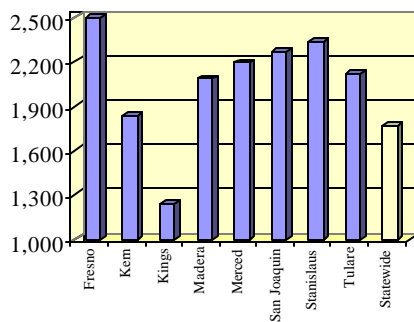
30% OF STUDENTS DON'T COMPLETE HIGH SCHOOL

ALL COUNTIES FACE UNEMPLOYMENT RATES SIGNIFICANTLY GREATER THAN THE STATEWIDE AVERAGE.

HOUSEHOLD INCOME HAS AVERAGED 20% LESS THAN THE REST OF THE STATE

HOWEVER, HOUSING PRICES ARE 20%-30% MORE AFFORDABLE IN THE VALLEY

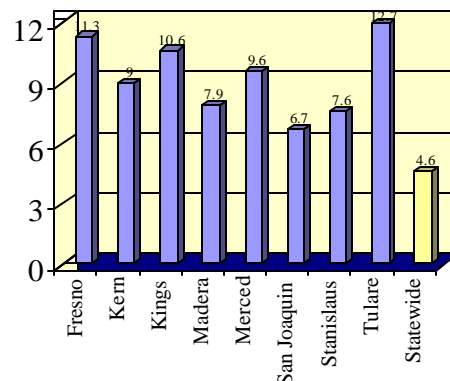
CRIME RATES ARE SIGNIFICANTLY HIGHER IN THE VALLEY:



Source: Department of Justice

The eight counties comprising the heart of the Central Valley – San Joaquin, Stanislaus, Merced, Madera, Fresno, Kings, Tulare and Kern – have significantly different economies than the rest of California. Its rich and diverse agricultural history have sustained its economic vitality for many years, however, as the rest of the state's economy has shifted from a manufacturing-based economy to a service-based one, the Central Valley has not kept pace.

High unemployment continues to plague the Central Valley:



Source: EDD

Farming accounts for 12% of the Central Valley's gross product, but only 8% of its employment base.

CENTRAL VALLEY REVITALIZATION PROPOSAL

2001 LEGISLATIVE PACKAGE



BUSINESS INCENTIVES

- **Expand the Rural Investment Tax Credit**
This credit created last year should not be limited to a handful of companies. This proposal would reduce the requirements and make the tax credit applicable to any company that is eligible.
- **Expand Manufacturing Investment Tax Credit (MIC) for Food Processing**
Current law provides a 6% manufacturers investment tax credit for specified SIC codes. This proposal would add food processing to the list of business activities eligible for the MIC.
- **Minimum Wage Relief for Small Businesses**
Allow any business with 100 employees or fewer which is located in a county whose unemployment rate that is equal to or greater than 1.5 times the statewide average to receive a tax credit equal to the difference between the current minimum wage rate and the new rate.

CRIMINAL JUSTICE ISSUES

- **\$10 Million Budget Augmentation for Methamphetamine Cleanup.**
Commit an additional \$10 million budget augmentation to assist innocent property owners defray the costs associated with cleaning up their property and restoring the property to a habitable condition.
- **Sentence Enhancement for Methamphetamine Producers and Pushers**
Increase the punishment for possession for sale and the punishment for sale and transportation of methamphetamine
- **Local Jail Initiative**
Provide \$400 million for local jail construction, renovation and repair. Currently 20 county jails are under court orders for early release programs.

INFRASTRUCTURE

Transportation

- **Valley Fair Share proposal**
Give counties that were under-funded in last year's transportation proposal, first call on new STIP funding generated by the diversion of sales tax on gasoline to the State Transportation Improvement Program.
- **Rural Road Restoration**
Dedicate \$500 million in this year's budget surplus to local roads and create a set aside for rural road restoration within the \$500 million.

School Facilities

- **Valley Fair Share**
Recently, the State Allocation Board adopted a priority points system which will enable LA Unified to qualify for bond funding that other districts throughout the state would have received

under the existing formula. Additionally, it has been suggested that any future bond proposal will also disproportionately benefit large urban districts at the expense of rural districts. This proposal would require a fair allocation formula for scarce education facility funds.

EDUCATION

- **Equalization**
Eliminate the inequity in funding school districts by ensuring that every school district receives the same per-pupil spending.
- **Funding for UC Merced**
Dedicate \$200 million to implement the next phase of building at the University of California at Merced.
- **Clean School Bus Funding**
Provide additional resources to address the inequity created by the ARB's formula for this year's disbursement of the \$50 million Clean School Bus Program funds.
- **After School Bus Program**
Establish funding for school transportation for summer school and after school programs in rural areas.

LOCAL GOVERNMENT RENEWAL:

- **ERAF Reform (AB 3 (Ashburn))**
Cap future ERAF payments at last year's rate.

AGRICULTURE/WATER:

- **Tax Credit for Water Conservation and Reclamation Efforts**
Provide a tax credit and property tax exemption for farmers who make water conservation and/or reclamation improvements.
- **Waste Water**
Provide state funding for a regional waste water programmatic report.
- **Diesel Fuel Relief**
 - **Carl Moyer Program**
Appropriate \$15 million to the Carl Moyer Program and specifically target it to the agricultural engine program and reform the program so that it is more accessible to farmers.
 - **Price of Diesel**
Eliminate the sales tax on diesel fuel. Backfill the PTA.
- **Dairies:**
Provide tax credits for environmental mitigation for new and expanding dairies.

HEALTH CARE:

- **Enhance reimbursement rates for Central Valley doctors**
Increase the rates provided to reimburse Central Valley doctors who treat Medi-Cal recipients and would require the Department of Health Services to study the impact of the current Medi-Cal rate on medical providers and hospitals that serve large numbers of Medi-Cal recipients.
- **Nurse Shortages**
Provide Central Valley communities additional resources to recruit and train nursing staff. This money would be used in conjunction with private money to expand the availability of nursing courses at local community colleges and state universities.
- **Research Dollars to combat valley diseases**
Provide ongoing research funding for diseases experienced disproportionately by Valley residents such as Asthma and Valley fever.

A PATTERN OF INEQUITY

During the last legislative session there emerged a disturbing trend whereby urban areas of the state were benefited in many cases at the expense of the Central Valley. The following are just a handful of policy decisions which demonstrate this trend.

Transportation Funding:

Last year's transportation program, passed as Assembly Bill 2928, severely under-funded counties in the Central Valley. Traditionally, transportation projects receive funding as part of the State Transportation Improvement Program (STIP). AB 2928 abandoned the STIP formula. According to the non-partisan Legislative Analyst, the plan provided the Bay Area 80 percent more than what they would have received under a STIP formula. Additionally, San Diego and Los Angeles also received more than their proportionate STIP share. Unfortunately, Central Valley counties received one-third or \$200 million less than their proportionate share.

Workforce Development Funding:

The 2000-2001 budget modified the existing formula for Federal Workforce Development funds to allow large urban areas to retain funding despite the fact that they had relatively low unemployment rates. Workforce Development Act funds are supposed to be allocated based on unemployment rates. Central Valley counties have high, in some cases, double-digit unemployment rates. By allowing areas like Los Angeles and other low unemployment counties to retain money they no longer need, the budget action denied over \$2.5 million in funding to Central Valley counties.

Dirty and Unsafe School Bus Funding:

The 2000-2001 budget act included \$50 million to fund the replacement and retrofit of diesel school buses. The goal of the program is to replace older buses with safe and clean new buses and clean up in-use buses in order to reduce school children's exposure to diesel exhaust emissions. According to the Air Resources Board, "pre-1977 and 1987" buses emit as much as ten times more particulate matter and three times more oxides of nitrogen than current low-emission buses. Moreover, the pre-1977 buses are not in compliance with basic federal school bus standards, which were placed into effect in May 1977. Schools in the Central Valley have a disproportionately high number of pre-1987 and pre-1977 buses. Unfortunately, the Air Resources Board is considering a disbursement formula which will divert funds to large urban school districts away from those counties with the largest proportion of high-polluting and unsafe buses. Central Valley counties are estimated to lose \$4 million.

School Facilities Funding:

The State Allocation Board recently changed the allocation formula for the distribution of bond funding from Proposition 1A. The formula change will give priority points to urban school districts such as Los Angeles Unified. The existing formula was devised as part of Proposition 1A and reflects the voters', as well as the education establishment's, understanding of the allocation formula. With this formula change, projects in the Central Valley will not get the funding they anticipated.

Hospital Relief:

Throughout the year, the Valley delegation attempted to secure funding for various hospitals throughout the Valley, including funding for Valley Children's Hospital which had a shortfall of over \$1 million a month. At the end session, the administration announced that the state of California would only bailout the Los Angeles county hospital. This bailout is estimated to cost the state as much as \$20 million annually.

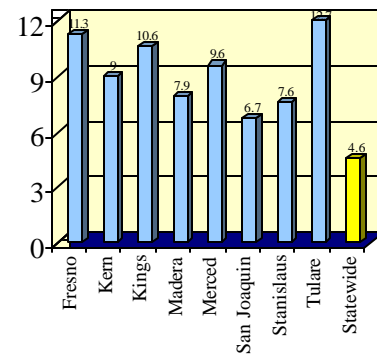
CENTRAL VALLEY REVITALIZATION PROPOSAL

CREATING JOBS IN THE CENTRAL VALLEY

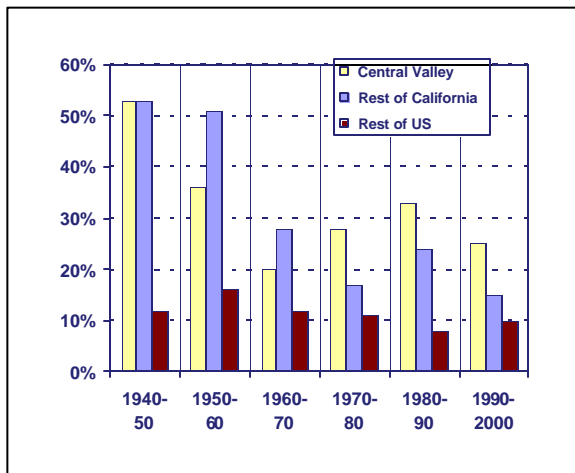


Despite a robust statewide economy, counties in the Central Valley continue to lag behind the rest of California in almost every economic indicator. Population growth continues to outpace job growth in the Central Valley and demographic projections continue to point to increasing population growth through 2025.

UNEMPLOYMENT RATES



POPULATION GROWTH



IF THE CENTRAL VALLEY WERE A STATE...

- The Central Valley is larger than 10 states.
- The Central Valley ranked 31st in population, exceeding 20 states.
- The Central Valley ranks 9th in population growth.

CRB Data

Despite chronic unemployment, low median incomes and high population growth, the Central Valley is rich with land and human capital. However, the State must be willing to create a level playing field for businesses to create jobs and drive economic resurgence.

CENTRAL VALLEY REVITALIZATION PROPOSAL

CREATING JOBS IN THE CENTRAL VALLEY



EXPAND THE RURAL INVESTMENT TAX CREDIT

The Problem: Last year's AB 511 created the rural investment tax exemption, to be allocated by the Infrastructure Bank. The law caps the amount the Agency may allocate at \$5 million, but provides that the exemption may be provided only to a company which invests \$150 million and hires at least 500 employees in a county that has an unemployment rate 5 points higher than the State average. Besides that criteria, the Agency has the complete authority to disburse the funds based on its own criteria.

The Solution: Expand the criteria from 500 employees to 100 and the total investment from \$150 million to \$50 million; also, allow the credit to be used within counties that have an unemployment rate at least 3 points higher than the State average. Change the program from an allocated one to a non-subjective, tax credit.

EXPAND MANUFACTURING INVESTMENT TAX CREDIT (MIC) FOR FOOD PROCESSING

The Problem: Current law provides a 6% manufacturers investment tax credit for specified SIC codes but does not allow the credit to be applied to food processing activities.

The Solution: This proposal would add post harvest activities, including food processing to the list of business activities eligible for the MIC.

MINIMUM WAGE RELIEF FOR SMALL BUSINESSES

The Problem: The IWC recently voted to increase the minimum wage in California 50 cents over each of the next two years. On January 1, 2001, the minimum wage shall be \$6.25 and on January 1, 2002, it shall be \$6.75. This is the fifth increase in the minimum wage since 1996. Counties within the San Joaquin Valley continue to experience significant unemployment rates. For many small businesses, which operate on the margin, the increase in the minimum wage could have a serious affect on their viability.

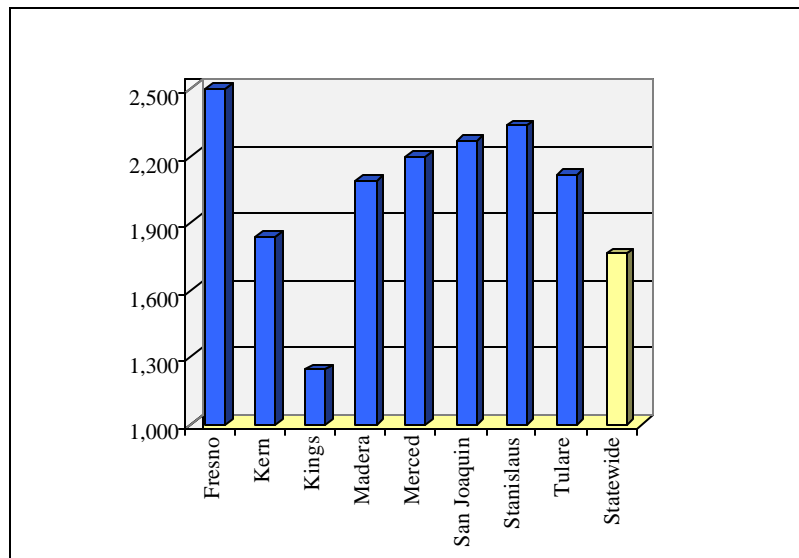
The Solution: This bill would allow any business with 100 or fewer employees, which is located in a county whose unemployment rate that is equal to or greater than 1.5 times the statewide average to receive a tax credit equal to the difference between the current minimum wage rate and the new rate. For example, a small firm that employs 50 people, 10 of whom receive the minimum wage, would receive a 50-cent credit for each of the hours that the 10 minimum wage-based employees work.

CENTRAL VALLEY REVITALIZATION PROPOSAL

FIGHTING CRIME IN THE CENTRAL VALLEY



Headlines across the state have recently reported that the crime rates are down statewide, which is consistent with the national trend. However, the Central Valley continues to have a higher crime rate, proportionate to its population, than almost all other areas of the state. Seven of the eight counties have a higher crime rate than the statewide average.



*Source: California Crime Index, 1999
Rate Per 100,000 Population

Many counties within the Central Valley are under court order to release prisoners early if the jail population reaches a cap placed on it by courts. Another contributing factor influencing the Central Valley's high crime rate is the number of methamphetamine labs found in rural areas. Rural areas are less traveled and provide a haven for meth manufacturers.

CENTRAL VALLEY REVITALIZATION PROPOSAL

FIGHTING CRIME IN THE CENTRAL VALLEY



SENTENCE ENHANCEMENT FOR METHAMPHETAMINE PRODUCERS AND PUSHERS

The problem: With 80% of methamphetamine in the nation manufactured in California and more than an average of 5 meth labs discovered per day in California, there is a need for legislation to remedy this situation. Social workers estimate that a large percentage of the more than 20,000 children in foster care in this state are meth-related cases. A large proportion of violent crimes (domestic & child endangerment included) are directly related to meth use. However, the punishment for possession for sale and the punishment for sale and transportation of methamphetamine are less stringent than the punishment for the same offences involving PCP and cocaine.

The solution: This proposal will increase the punishment for possession for sale and the punishment for sale and transportation of methamphetamine from 16 months, two years or three years for possession for sale and two, three, or four years for sale to three, four, or five years for both crimes.

\$10 MILLION BUDGET AUGMENTATION FOR METH CLEANUP

The problem: Meth labs are being found increasingly on innocent property owners' land. When criminals are done manufacturing meth, the hazardous chemicals are left on the property. This is a significant health risk to people exposed to the abandoned chemicals as well as a significant threat to our food and water supply. Some of the material is removed, but the balance of the cleanup is borne by the innocent property owner. This is a considerable expense since the property is taken out of operation until the land is determined habitable. The cleanup costs can run anywhere from a few hundred dollars to tens of thousands of dollars each.

The solution: This proposal would commit an additional \$10 million to assist innocent property owners defray the costs associated with cleaning up their property and restoring the property to a habitable condition.

LOCAL JAIL INITIATIVE

The problem: Currently 20 county jails are under court order to release inmates early if the jail reaches a population cap. The counties include Fresno, Kern, Tulare, San Joaquin, Stanislaus, Santa Barbara, Merced, Placer, Butte, Yolo, Shasta, El Dorado, Sutter, Calaveras, Plumas, Los Angeles, San Bernardino, Orange, San Diego, and Riverside. This poses a threat to public safety across the Central Valley as a majority of the counties under court order are in the Central Valley. Therefore, counties under court order would receive a priority on these funds.

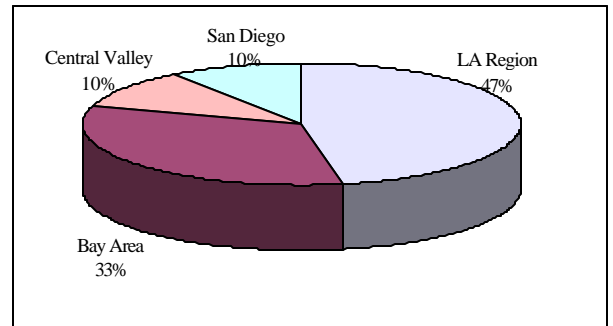
The solution: Senate Bill 39 (Poochigian) was introduced December 4, 2000, which would provide \$400 million for local jail construction, renovation and repair.

CENTRAL VALLEY REVITALIZATION PROPOSAL

REBUILDING THE INFRASTRUCTURE OF THE CENTRAL VALLEY

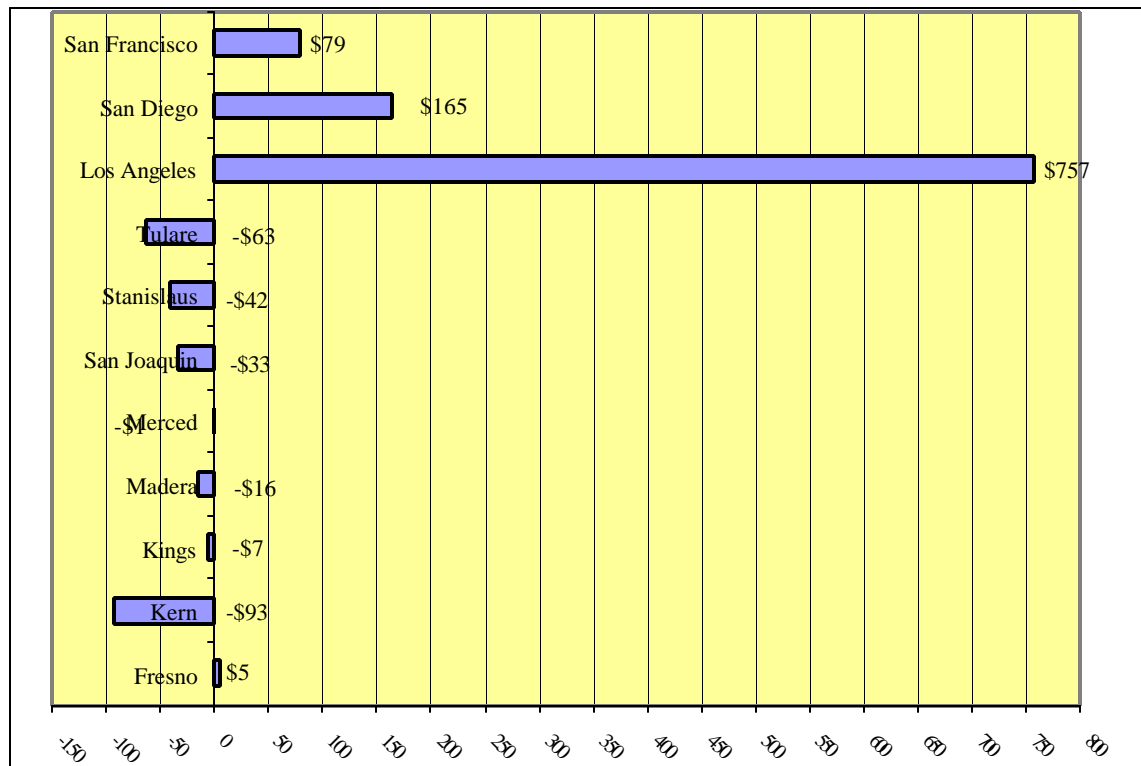


DISTRIBUTION OF CAPITAL AND PLANNING FUNDS FROM LAST YEAR'S TRANSPORTATION LEGISLATION



Source: LAO

COMPARISON OF COUNTY DISTRIBUTION OF FUNDS VS. STIP COUNTY FORMULA (MILLIONS OF DOLLARS)



Source: LAO

CENTRAL VALLEY REVITALIZATION PROPOSAL

REBUILDING THE INFRASTRUCTURE OF THE CENTRAL VALLEY



TRANSPORTATION

VALLEY FAIR SHARE TRANSPORTATION CONSTRUCTION PROPOSAL

The problem: The state has unfunded transportation needs of over \$100 billion for the next 10 years. According to the non-partisan Legislative Analyst, last year's transportation proposal which provided \$7 billion in new transportation funding abandoned the STIP allocation thereby depriving local agencies in the Central Valley approximately \$200 million in transportation funding.

The solution: This proposal would give counties that were under-funded in last year's transportation proposal first call on new STIP funding generated by the diversion of sales tax on gasoline to the State Transportation Improvement Program. Once these counties receive their fair share, these "new" STIP funds would be allocated in the traditional manner.

RURAL ROAD RESTORATION

The problem: Rural counties are having increasing difficulties in maintaining streets and roads in their community. One example, Tulare County, estimates that approximately 500 miles of poor pavement could revert to gravel over the next 10 years. Good roads are important for economic development as farmers and other businesses use roads to deliver goods to the market.

The solution: This proposal would dedicate \$500 million in this year's budget surplus to local roads and create a set aside for rural road restoration within the \$500 million.

SCHOOL FACILITIES

VALLEY FAIR SHARE

The problem: Recently, the State Allocation Board adopted a priority points system which will enable LA Unified to qualify for bond funding that other districts throughout the state would have received under the existing formula. By changing the formula, projects in districts such as the Fresno Unified, which was slated to receive \$21 million in funding from Proposition 1A, will go unfunded. Additionally, it has been suggested that any future bond proposal will also disproportionately benefit large urban districts at the expense of rural districts.

The solution: This proposal would require a fair allocation formula by eliminating any urban priority point system for school facility funds.

REBUILDING THE INFRASTRUCTURE OF THE CENTRAL VALLEY

LOCAL GOVERNMENT FISCAL REFORM

The problem: To balance the 1992-93 and 1993-94 state budgets, the state shifted about \$3.8 billion in property tax revenues from cities, counties and special districts to the Educational Revenue Augmentation Fund (ERAF) established in each county for the benefit of K-14 school and community college districts. Counties continue to struggle with the devastating effect the ERAF shift caused.

The solution: AB 3 (Ashburn) will cap future ERAF payments at last year's rate.

CENTRAL VALLEY REVITALIZATION PROPOSAL

ENSURING EVERY CENTRAL VALLEY CHILD HAS A FAIR CHANCE



EQUALIZATION

The Problem: K-12 school district funding in California remains unequal. Funding for California's 1,000 school districts is largely a state responsibility. The state determines the amount that school districts receive from state funds and local property taxes and the distribution formulas for these funds. The state is also responsible for ensuring relative equality in school district funding. However, in many instances, large urban areas of the state receive substantially more in general purpose funding than California's rural and suburban districts when measured on a per pupil basis.

The solution: Require that a portion of the General Fund surplus be dedicated to equalize state aid to California schools. Similar proposals were introduced in the 1999-2000 legislative session.

FUNDING FOR UC MERCED

The Problem: Inadequate service by the University of California to the region led to bipartisan support for the tenth UC campus. The significant driving distance to high quality post secondary educational institutions has forced many college bound students from the Central Valley to leave the area, and discouraged other students from pursuing a four year degree or higher education altogether. According to the California Department of Education, substantially fewer Central Valley high school students take the SAT than in the rest of the state.

The Solution: Support the dedication of \$200 million of the state's General Fund surplus to implement the next phase of capital outlay for the proposed University of California at Merced.

CLEAN AND SAFE SCHOOL BUS FUNDING

The Problem: The 2000-2001 budget act included \$50 million to fund the replacement and retrofit of diesel school buses. The goal of the program is to replace older buses with safe and clean new buses and clean up in-use buses in order to reduce school children's exposure to diesel exhaust emissions. Unfortunately, the Air Resources Board adopted a disbursement formula which diverted funds to large urban school districts away from those counties with the largest proportion of high-polluting and unsafe buses.

The Solution: Provide additional resources to address the inequity created by the ARB's formula to ensure that school districts in the Central Valley with older, polluting school buses receive their fair share.

ENSURING EVERY CENTRAL VALLEY CHILD HAS A FAIR CHANCE

AFTER SCHOOL BUS PROGRAM

The Problem: Rural school districts are geographically isolated. In addition, rural districts receive less state assistance per pupil than many of the school districts in large urban areas. These factors have meant that there are limited opportunities for school age children to participate in after school or summer programs.

The Solution: Establish funding for school transportation for summer school and after school programs in rural areas.

CENTRAL VALLEY REVITALIZATION PROPOSAL

PROTECTING THE AGRICULTURAL BASE OF THE CENTRAL VALLEY



The agricultural industry remains a vital component of the Central Valley's economy. Despite the expansion of other industries within the valley – most notably, the service industry – agriculture will remain a predominant and, with adequate attention, vibrant part of the economic resurgence of the Central Valley.

California farmers have become increasingly more productive over the last 15 years. Farms in California represent less than 1% of the total U.S. farmland, yet produce 8% of the nation's agricultural output. Despite high productivity, California farmers continue to face higher operating costs due to increased labor costs, higher natural gas and diesel prices and environmental mitigation concerns. These higher costs threaten the livelihood of California's agricultural industry.

WATER ISSUES

TAX CREDIT FOR WATER CONSERVATION AND RECLAMATION EFFORTS

The problem: Water supply issues continue to plague not only the Central Valley, but the entire state. Conservation and water-use efficiency are important statewide goals for the State's environmental and economic health. By moving to more efficient equipment, the farmer will save water, reduce runoff and increase efficiency.

Much of this equipment is quite expensive and the narrow profit margin of agriculture does not allow for most producers to invest the capital required for this water-saving equipment. This credit will help offset the expenditure and assist the farmer or landowner to recover the costs.

The solution: Provide a tax credit and property tax exemption for farmers who make water conservation and/or reclamation improvements.

WASTE WATER

The problem: Communities throughout California, and especially in the Central Valley are faced with serious problems related to their waste water treatment plants.

The solution: Provide state funding for a programmatic document/report.

PROTECTING THE AGRICULTURAL BASE OF THE CENTRAL VALLEY

DIESEL FUEL RELIEF

CARL MOYER PROGRAM

The problem: The existing Carl Moyer Program provides funding for the replacement of diesel engines with cleaner burning engines. However, the program provides assistance to many different diesel engine users – from forklifts to marine vessels. Agricultural uses account for only a modest portion of the total \$50 million appropriated to the program.

The solution: Appropriate \$15 million to the Carl Moyer Program and specifically target it to the agricultural engine program and reform the program so that it is more accessible to farmers.

PRICE OF DIESEL

The problem: High diesel costs are increasing the cost of delivering the Central Valley's agricultural products. Within the last year, diesel prices in California have increased almost 35%.

The solution: Eliminate the sales tax on diesel fuel.

DAIRIES:

The problem: Dairy farming is the number one agricultural commodity in California, producing more than \$4 billion in annual sales. Much has been reported about the difficulties faced by dairies throughout the Central Valley in attempting to site new facilities or expand existing ones. Many of the concerns raised have centered around environmental concerns. Despite the good faith efforts of many of the dairies, permitting continues to be stifled.

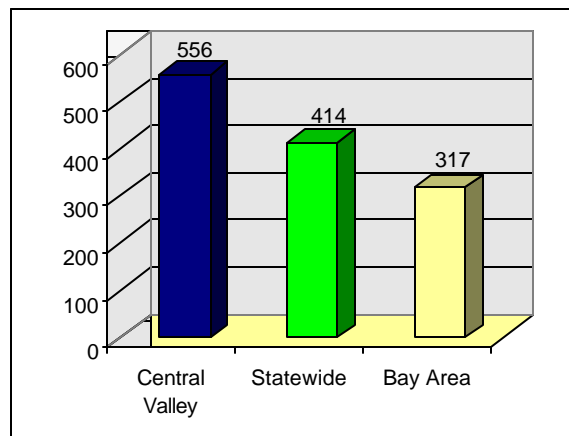
The solution: Provide tax credits for environmental mitigation for new and expanding dairies.

CENTRAL VALLEY REVITALIZATION PROPOSAL

INCREASING ACCESS TO HEALTH CARE IN THE CENTRAL VALLEY



The Central Valley continues to lag behind other regions of the state in the supply of physicians to provide care for residents. According to the Department of Health Services, the ratio of persons per doctor in 1996 was 556, or 34% higher than the rest of the State and 75% higher than the Bay Area.



California as a whole is experiencing a shortage of nurses, however, the problem is particularly acute in the Central Valley.

RNs per 1,000

Nationwide 3.22

California 2.27

California's average is roughly 30% less than the national average.

CENTRAL VALLEY REVITALIZATION PROPOSAL

INCREASING ACCESS TO HEALTH CARE IN THE CENTRAL VALLEY



ENHANCE REIMBURSEMENT RATES FOR CENTRAL VALLEY DOCTORS

The problem: Low reimbursement rates for state-medical insurance have created a drain on medical providers throughout the state. Medi-Cal currently pays physicians roughly half of what the Federal government pays for equivalent Medicare services. Because Valley physicians and other medical providers serve a disproportionately high number of Medi-Cal recipients, the inadequate rate has created a shortage of primary care physicians and medical specialists and has jeopardized the solvency of hospitals and medical groups throughout the region.

The solution: Support the Joint Legislative Republican budget proposal which would increase state Medi-Cal reimbursement rates by 25%. In addition, the CVRP would also expand the existing annual rate review required under 140079 of the California Welfare and Institutions Code to include an assessment of access issues associated with areas of the state where doctors and hospitals serve disproportionately greater numbers of Medi-Cal recipients. Finally, this proposal would require the director of DHS to report to the Legislature on the results of the study.

INCREASE RECRUITMENT OF VALLEY NURSES

The problem: The state and the Central Valley are facing a severe nursing crisis. The national average of RNs per 1,000 population is 3.22 while California ranks last in the country in its nurse-to-patient ratio with a ration of 2.27 or roughly 30% less than the national average. Competition from other professions and lower salaries have all been cited as possible reasons for the nursing decline. The average age of a nurse in California is 47 and for every three nurses that retire, only one takes his or her place. The problem is more acute in rural parts of the state where even lower wages have resulted in a chronic nursing shortage.

The solution: Provide Central Valley communities additional resources to recruit and train nursing staff. This money could be used in conjunction with public and private hospitals to expand the availability of nursing courses at local community colleges and state universities. These classes would be ideally made available at night and on weekends.

RESEARCH DOLLARS TO COMBAT VALLEY DISEASES

This proposal will provide ongoing research funding for diseases experienced disproportionately by Valley residents such as Asthma and Valley fever.